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25 August 1949

MEMORANDUM FOR: STANDING COMMITTEE MEMBERS OF THE IAC

SUBJECT: State's Four Problems re NSC 50

- REFERENCE: (a) Circular memorandum 5 August 1949 to IAC Members "Implementation of NSC 50 (Dulles Report Recommendations)" enclosing copy of a letter dated 2 August 1949 from Mr. Armstrong, submitting for IAC consideration Four Problems raised by NSC 50.
- (b) Decision at IAC meeting of August 19th that the Standing Committee would give consideration to Mr. Armstrong's Four Problems

1. In giving consideration to Mr. Armstrong's four problems, CIA thought that a certain amount of clarification was needed on the following recommendations:

I - 1.	I - 1a.	II - 1b.	III - 1.
I - 3.	I - 1b.	II - 2.	III - 2.
I - 4.	I - 1f.	II - 3.	IV - 1.

2. In discussing these paragraphs with the State Department, it was ascertained that:-

"I - 1. That ICAPS serve as a joint staff under the direction of, and responsible to, the DCI, be composed of members contributed by the several agencies on a fulltime basis, but not 'representing' the agency, and be headed by a chief who will also be the Executive Secretary of the IAC."

State desires that ICAPS be the staff of the DCI and also of the IAC, (the latter a part-time job).

"I - 3. That the representation on the Standing Committee be the same as that of the IAC, and that the Standing Committee serve as a subordinate or staff committee to the IAC to consider on an interagency basis, problems referred to it by the IAC."

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ICAPS as a group would no longer be a member of the Standing Committee. Only the Chief of ICAPS, as Chairman of the Standing Committee, would represent CIA. The Standing Committee Members would continue to work for their IAC members, but not on the ICAPS level in drafting papers.

CIA Comments on the above two recommendations:

The DCI is opposed to making the working committee and staff (Standing Committee and ICAPS) too formal. ICAPS apparently is to become not only the staff of the DCI, but also the staff of the IAC and the Standing Committee is to become a little IAC; i.e., an additional higher layer advisory committee inserted to grant approval or disapproval to the papers prepared by ICAPS in its capacity as a staff of the real Advisory Committee. The DCI thinks this layer of "consultants" is unnecessary for such working groups and they should not be aggrandized and restricted by formal parliamentary procedures. He thinks discussions in the ICAPS-Standing Committee group among themselves and with specialists from the agencies, when necessary or desirable, are healthy and should not be limited and restricted to only certain members, especially when technical matters come up that are more familiar to the working specialists than to the overall planners. Furthermore, the DCI thinks it most desirable that the IAC agencies participate from the beginning in actually drawing up the proposals.

"I - 4. That CIA fulfill its coordinating responsibility on research programs primarily through the Estimates Division, whose primary function should be such coordination, in accordance with the following principles:"

State thinks there should be an "Estimates Division" and that one of its prime functions should be coordinating intelligence research programs. The establishment of such an "Estimates Division" in the Dulles Report is not obligatory in NSC 50 and is not one of the internal organization changes which is contemplated by the DCI at present.

"I - 4a. CIA will constitute itself the center of information on all U.S. foreign intelligence activities, including current research intelligence projects;"

This does not mean that CIA is to be a central reservoir of foreign intelligence or foreign intelligence information, but rather is to know what all intelligence agencies are doing; i.e., a "central index" having knowledge of all agency programs.

"I - 4b. CIA will have free access to the plans and programs of the several intelligence agencies, subject to overall departmental regulation;"

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This paragraph is intended to liberalize NSCID No. 1, which allows access only to "intelligence materials;" but, on the other hand, its last qualifying clause refers to the policies as well as the security of the various departments.

"I - 4f. CIA will recognize that coordination also implies assistance to the agencies in meeting their responsibilities, including in some cases the temporary assignment of personnel to the agencies."

State still maintains that such assistance is a function of coordination and cited as an example that, when it is not adequately staffed or equipped to accomplish a task within its field of dominant interest, CIA should provide assistance to State for this purpose rather than performing the task in CIA. CIA maintains that such work in CIA would be complementing, not duplicating, State's work and that financial and personnel assistance to outside agencies from CIA cannot be considered "coordination." In the matters of extra funds and personnel, there no longer is the "elasticity" in CIA that there once was!

"II - 1a. That national intelligence applies only to intelligence which is interdepartmental in substance;"

State visualizes no change in the existing definitions of national intelligence.

"II - 1b. That national intelligence should be developed with a maximum use of departmental facilities and minimum duplication of departmental intelligence activities."

State thinks CIA is not living up to DCI 3/1 and that CIA is always inclined to put its production into the category of "urgent" or "exceptional."

"II - 2. That the IAC discuss and approve all national intelligence estimates on which there is substantial disagreement among the agencies or upon the request of a member."

This refers to the members of the IAC, not to the IAC agencies; i.e., the IAC members should discuss around a table together any "substantial disagreements" which may lead to a dissent, hoping that such collective discussion by the IAC members themselves before a paper is finalized may lessen to a considerable degree the number of dissents.

"III - 1. That, aside from national intelligence, CIA will produce intelligence reports only in fields of common concern, as prescribed by the DCI on the advice of the IAC."

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OIR in State feels that OIR in CIA is duplicating its work and wishes to confine CIA's activity only to "national intelligence" and only to "fields of common concern." State thinks that "common concern" are items of interest to two or more agencies and cited as an example "transportation" and "communications." The DCI, however, is often called upon by The President, the NSC, the JCS and others on a high level, for intelligence estimates which they need. He feels that he must comply with such requests as expeditiously as possible.

"IV - 1. That ICAPS study and prepare recommendations for consideration by the IAC on the proper allocation of responsibility for political summaries, both daily and weekly."

State no longer seemed to feel strongly about the daily and weekly publications mentioned herein.

3. It is requested, therefore, that we have a Standing Committee Meeting to consider Mr. Armstrong's Four Problems on Tuesday afternoon, 30 August 1949, at 2:00 p.m. in the Director's Conference Room on the Ground Floor of the Administration Building, 2430 E Street, N.W. The discussion at this meeting could be used to formulate a memorandum showing wherein the other IAC agencies agree or disagree with State's recommendations. These data can subsequently be used as part of the reply due the Executive Secretary of the NSC in answer to his circular memorandum of July 7th.

PRESCOTT CHILDS  
Chief, ICAPS

cc: AD/OPE

Central Records

PC:omymhb

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